

EXHIBIT U

lcjdpitp

PLEA

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

-----x

3 UNITED STATES OF AMERICA,

New York, N.Y.

4 v.

S5 Cr. 0228 (LTS)

5 ENRICA COTELLESSA-PITZ,

6 Defendant.

7 -----x

8
9 December 19, 2011
2:55 p.m.

10 Before:

11 HON. LAURA TAYLOR SWAIN,

12 District Judge

13
14 APPEARANCES

15 PREET BHARARA

16 United States Attorney for the
Southern District of New York

17 BY: LISA A. BARONI

JULIAN J. MOORE

MATHEW SCHWARTZ

18 Assistant United States Attorneys

19 TIMOTHY J. TREANOR

20 DAVID M. RODY

Attorneys for Defendant

21 - also present -

22 SA Jared Thompson, FBI

23 SA Paul Takla, FBI

P.O. Jeffrey Steimel

lcjdpitp

PLEA

1 THE COURT: Good afternoon. Would everyone other than
2 the lawyers please be seated.

3 THE CLERK: This case is United States of America
4 versus Enrica Cotellessa-Pitz.

5 MS. BARONI: Good afternoon, your Honor. Lisa Baroni
6 for the government. With me is Julian Moore and Matthew
7 Schwartz from the U.S. Attorney's office and Special Agents
8 Jared Thompson and Paul Takla from the FBI.

9 THE COURT: Good afternoon, Ms. Baroni, Mr. Moore, Mr.
10 Schwartz, Agents Thompson and Takla.

11 MR. MOORE: Good afternoon, your Honor.

12 MR. TREANOR: Tim Treanor and David Rody for Enrica
13 Cotellessa-Pitz. Good afternoon, your Honor.

14 THE COURT: Good afternoon, Mr. Treanor, Mr. Rody, and
15 good afternoon, Ms. Cotellessa-Pitz.

16 This is Ms. Cotellessa-Pitz's first appearance, is
17 that correct?

18 MR. TREANOR: Yes, your Honor.

19 THE DEFENDANT: Yes.

20 MR. TREANOR: Yes, your Honor.

21 THE COURT: So let's address the advice of rights
22 first.

23 And good afternoon everyone. Thank you all for coming
24 to court.

25 Would you please stand, Ms. Cotellessa-Pitz.

lcjdpitp

PLEA

1 Please state your full name.

2 THE DEFENDANT: Enrica Cotellessa-Pitz.

3 THE COURT: And how old are you, ma'am?

4 THE DEFENDANT: 53.

5 THE COURT: I will now explain certain rights that you
6 have under the Constitution of the United States.

7 You have the right to remain silent. You need not
8 make any statement. Even if you have already made statement to
9 the authorities, you need not make any additional statements.
10 Any statements that you do make can be used against you.

11 Do you understand these rights?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: You have the right to be released either
14 conditionally or unconditionally pending trial unless I find
15 that there are no conditions that would reasonably assure your
16 presence at future court hearings and the safety of the
17 community. If the government were to ask me to detain you
18 pending trial, you are entitled to a prompt hearing on whether
19 such conditions exist.

20 Do you understand this right?

21 THE DEFENDANT: Yes.

22 THE COURT: You have the right to be represented by an
23 attorney today and at all future proceedings in this case, and
24 if you are unable to afford an attorney, I will appoint an
25 attorney to represent you.

lcjdpitp

PLEA

1 Do you understand these rights?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Do you wish to have and are you able to
4 obtain and afford counsel on your own?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: Have you retained Messrs. Treanor and Rody
7 to represent you?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: Are you a citizen of the United States?

10 THE DEFENDANT: Yes.

11 THE COURT: The document that contains the charges
12 against you is called an information. It has been issued by
13 the United States Attorney. You have a constitutional right to
14 be charged by an indictment rather than by an information. An
15 indictment would be a charge issued from a grand jury.

16 Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: Mr. Treanor, do you have the Waiver of
19 Indictment form there, and would you show it to
20 Ms. Cotellessa-Pitz?

21 MR. TREANOR: Yes, your Honor.

22 THE COURT: Thank you.

23 Ms. Cotellessa-Pitz, have you signed this waiver of
24 indictment?

25 THE DEFENDANT: Yes, your Honor.

lcjdpitp

PLEA

1 THE COURT: Did you read it before you signed it?

2 THE DEFENDANT: Yes.

3 THE COURT: Did you understand it before you signed
4 it?

5 THE DEFENDANT: Yes.

6 THE COURT: And did you discuss it with your attorneys
7 before you signed it?

8 THE DEFENDANT: Yes.

9 THE COURT: Do you understand that if you did not
10 waive indictment, if the government wanted to prosecute you on
11 the charges that are in the Information, it would have to
12 present those charges to a grand jury, which might or might not
13 indict you on them?

14 THE DEFENDANT: Yes.

15 THE COURT: Do you understand that you are under no
16 obligation to waive indictment?

17 THE DEFENDANT: Yes.

18 THE COURT: Do you understand that by waiving
19 indictment you are giving up your right to have these charges
20 presented to a grand jury?

21 THE DEFENDANT: Yes.

22 THE COURT: Do you understand what a grand jury is?

23 THE DEFENDANT: Yes.

24 THE COURT: Did anyone give you anything or make any
25 threat or promises to get you to waive indictment?

lcjdpitp

PLEA

1 THE DEFENDANT: No.

2 THE COURT: Have you seen a copy of the Fifth
3 Superseding Information that has number S5 10 Criminal 228 at
4 the top?

5 THE DEFENDANT: Yes.

6 THE COURT: Have you read it?

7 THE DEFENDANT: Yes.

8 THE COURT: Have you discussed it with your attorneys?

9 THE DEFENDANT: Yes.

10 THE COURT: Do you understand the charges against you
11 that are detailed in the Information?

12 THE DEFENDANT: Yes.

13 THE COURT: If you want me to, I can read the
14 Information out loud for you here in court.

15 Do you want me to read it to you?

16 THE DEFENDANT: No, your Honor.

17 THE COURT: Are you taking any medication or suffering
18 from any condition that affects your ability to think clearly?

19 THE DEFENDANT: No.

20 THE COURT: Is your mind clear today?

21 THE DEFENDANT: Yes.

22 THE COURT: Are you feeling well physically today?

23 THE DEFENDANT: Yes.

24 THE COURT: Do you feel comfortable making important
25 decisions for yourself today?

lcjdpitp

PLEA

1 THE DEFENDANT: Yes.

2 THE COURT: In the past 24 hours, have you taken any
3 drugs, medicine or pills or drunk any alcohol?

4 THE DEFENDANT: Just my prescription medications.

5 THE COURT: And did you take those medications on
6 schedule?

7 THE DEFENDANT: Yes.

8 THE COURT: Does any of those medications affect your
9 ability to think clearly?

10 THE DEFENDANT: No.

11 THE COURT: I find that Ms. Cotellessa-Pitz's Waiver
12 of Indictment is knowing and voluntary, and I accept it and I
13 so order it.

14 How do you intend to plead to the charges against you
15 that are in that Information, not guilty or guilty?

16 THE DEFENDANT: Guilty.

17 THE COURT: Now, Ms. Cotellessa-Pitz, you can have a
18 seat for a moment. I have a couple of questions for counsel.

19 Mr. Treanor, this plea is pursuant to the agreement
20 that has been marked as Government Exhibit 1, is that correct?

21 MR. TREANOR: That is correct, your Honor.

22 THE COURT: And it is a letter addressed to you and
23 Mr. Rody dated today -- the printed date, I'm sorry, not today,
24 December 15th, last Thursday, at the top, is that correct?

25 MR. TREANOR: That is correct.

lcjdpitp

PLEA

1 THE COURT: And the advice of rights form has also
2 been executed and marked as Court Exhibit 1, is that correct?

3 MR. TREANOR: Yes, your Honor.

4 THE COURT: Thank you. Ms. Baroni or Mr. Moore, would
5 you make a statement regarding victim notification in
6 connection with this proceeding?

7 MS. BARONI: Yes, your Honor.

8 Last Thursday, on December 15th, we sent a letter to
9 your Honor outlining the proposed charges against
10 Ms. Cotellessa-Pitz, and advising your Honor that she would
11 plead guilty pursuant to a cooperation agreement with the
12 government. On that date we posted that letter on the
13 government's website on a page dedicated to Madoff-related
14 cases for victim notification.

15 THE COURT: Thank you.

16 Ms. Cotellessa-Pitz, before I accept your guilty plea,
17 there are a number of questions that I must ask you while you
18 are under oath to assure that it is a valid plea. At times I
19 may cover a point more than once, and I may cover matters that
20 were also addressed in the advice of rights form that you have
21 seen, but if I do that will be because it is very important
22 that you understand what is happening here today.

23 If you don't understand something that I ask you,
24 please say so and I will reword the question or you may speak
25 with your attorneys.

lcjdpitp

PLEA

1 Do you understand that?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Please stand now to take the oath.

4 Ms. Ng, would you administer the oath, please.

5 THE CLERK: Please raise your right hand.

6 (The defendant was sworn)

7 THE COURT: Would you please state your full name for
8 the record.

9 THE DEFENDANT: Enrica Cotellessa-Pitz.

10 THE COURT: Do you understand that you have solemnly
11 promised to tell the truth, and that if you answer any of my
12 questions falsely, your false or untrue answers may later be
13 used against you in another prosecution for perjury or making a
14 false statement?

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: You can be seated for the next portion of
17 the proceeding.

18 Was the information that you gave me about your age
19 and your mental condition a little while ago completely true?

20 THE DEFENDANT: Yes.

21 THE COURT: How far did you go in school?

22 THE DEFENDANT: An undergraduate degree from college.

23 THE COURT: In what field.

24 THE DEFENDANT: Economics.

25 THE COURT: And what types of work have you done since

lcjdpitp

PLEA

1 finishing your final education?

2 THE DEFENDANT: I worked in the financial industry.

3 THE COURT: Are you able to speak, read and understand
4 the English language well?

5 THE DEFENDANT: Yes.

6 THE COURT: Counsel, does any of you have any doubt as
7 to Ms. Cotellessa-Pitz's competence to enter a guilty plea at
8 this time?

9 MR. TREANOR: No, your Honor.

10 MS. BARONI: No, your Honor.

11 THE COURT: Ms. Cotellessa-Pitz, your attorneys have
12 informed me that you -- and you actually have informed me
13 yourself that you wish to enter a guilty plea to the
14 Information. Do you wish to enter a plea of guilty?

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: Have you fully discussed your case with
17 your attorneys, including the charges to which you intend to
18 plead guilty and any defenses that you may have to those
19 charges?

20 THE DEFENDANT: Yes, your Honor.

21 THE COURT: Have you and your attorneys also discussed
22 the consequences of entering a guilty plea?

23 THE DEFENDANT: Yes.

24 THE COURT: Are you satisfied with your attorneys and
25 their representation of you?

lcjdpitp

PLEA

1 THE DEFENDANT: Yes.

2 THE COURT: On the basis of Ms. Cotellessa-Pitz's
3 responses to my questions and my observations of her demeanor,
4 I find that she is fully competent to enter an informed plea at
5 this time.

6 Before I accept your plea, ma'am, I am going to ask
7 you some more questions. Thee questions are intended to
8 satisfy the Court that you wish to plead guilty because you are
9 in fact guilty and that you fully understand your rights and
10 the consequences of your plea.

11 Now I will describe certain right that you have under
12 the Constitution and laws of the United States. You will be
13 giving up these rights if you enter a guilty plea. Please
14 listen carefully. If you do not understand something that I am
15 saying or describing, stop me and I or your attorney will
16 explain it more fully.

17 Under the Constitution and laws of the United States,
18 you have the right to a speedy and public trial by a jury on
19 the charges against you that are in the Information. Do you
20 understand that?

21 THE DEFENDANT: Yes.

22 THE COURT: Do you understand that you have the right
23 to plead not guilty and to continue to plead not guilty?

24 THE DEFENDANT: Yes.

25 THE COURT: If there were a trial, you would be

lcjdpitp

PLEA

1 presumed innocent and the government would be required to prove
2 you guilty by competent evidence and beyond a reasonable doubt.
3 You would not have to prove that you were innocent at a trial.
4 Do you understand that?

5 THE DEFENDANT: Yes.

6 THE COURT: If there were a trial, a jury composed of
7 twelve people selected from this district would have to agree
8 unanimously in order to find you guilty. Do you understand
9 that?

10 THE DEFENDANT: Yes.

11 THE COURT: If there were a trial, and at all stages
12 leading up to it, you would have the right to be represented by
13 an attorney, and if you could not afford one, an attorney would
14 be provided to you free of cost. Do you understand that?

15 THE DEFENDANT: Yes.

16 THE COURT: If there were a trial, you would have the
17 right to see and hear all of the witnesses against you and your
18 attorney could cross-examine them. You would also have the
19 right to have your attorney object to the government's evidence
20 and offer evidence on your behalf, if you so desired. In
21 addition, you would have the right to have witnesses required
22 to come to court to testify in your defense. And you would
23 have the right to testify yourself but you would not be
24 required to testify.

25 Do you understand all of that?

lcjdpitp

PLEA

1 THE DEFENDANT: Yes, your Honor.

2 THE COURT: Do you understand that if there were a
3 trial and you decided not to testify, no adverse inference
4 could be drawn against you based on your decision not to
5 testify?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand that if you were
8 convicted at a trial, you would have the right to appeal that
9 verdict?

10 THE DEFENDANT: Yes.

11 THE COURT: Do you understand each and every one of
12 the rights that I've asked you about?

13 THE DEFENDANT: Yes, I do.

14 THE COURT: Do you have any questions about any of
15 these rights?

16 THE DEFENDANT: No.

17 THE COURT: Do you understand that by entering a
18 guilty plea today, you will be giving up each and every one of
19 these rights?

20 THE DEFENDANT: Yes.

21 THE COURT: Do you also understand that you will be
22 giving up any possible claim that your constitutional rights
23 may have been violated?

24 THE DEFENDANT: Yes.

25 THE COURT: And do you understand that if you plead

lcjdpitp

PLEA

1 guilty you will have no trial?

2 THE DEFENDANT: Yes.

3 THE COURT: Do you understand that by pleading guilty
4 you will also have to give up your right not to incriminate
5 yourself, because I will ask you questions about what you did
6 in order to satisfy myself that you are guilty as charged and
7 you will have to admit and acknowledge your guilt?

8 THE DEFENDANT: Yes.

9 THE COURT: Do you understand that you can change your
10 mind right now and refuse to enter a plea of guilty? You do
11 not have to enter this plea if you do not want to for any
12 reason. Do you understand this fully?

13 THE DEFENDANT: Yes.

14 THE COURT: Do you still wish to plead guilty?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: Do you understand that Count One of the
17 Superseding Information charges you participating in a
18 conspiracy to, one, obstruct or impede the lawful government
19 functions of the Internal Revenue Service in the ascertainment,
20 assessment, computation and collection of income taxes; two,
21 falsified books and records of a broker-dealer; three,
22 falsified books and records of an investment advisor; and,
23 four, make false filings with the United States Securities and
24 Exchange Commission, all in violation of Title 18 of the United
25 States Code, Section 371?

lcjdpitp

PLEA

1 THE DEFENDANT: Yes.

2 THE COURT: Do you understand that Count Two of the
3 Superseding Information charges you with falsifying books and
4 records of a broker-dealer, in violation of Title 15 of the
5 United States Code, Section 78qa and 78ff; Title 17 of the Code
6 of Federal Regulations, Section 240.17a-3, and Title 18 of the
7 United States Code, Section 2?

8 THE DEFENDANT: Yes.

9 THE COURT: Do you understand that Count Three of the
10 Superseding Information charges you with falsifying books and
11 records of an investment advisor, in violation of Title 15 of
12 the United States Code, Sections 80b-4 and 80b-17; Title 17 of
13 the Code of Federal Regulations, Section 275.204-2, and Title
14 18 of the United States Code, Section 2?

15 THE DEFENDANT: Yes.

16 THE COURT: Do you understand that Count Four of the
17 Superseding Information charges you making false filings with
18 the Securities and Exchange Commission, in violation of Title
19 15 of the United States Code, Sections 78q and 78ff; Title 17
20 of the Code of Federal Regulations, Sections 240.17a-5,
21 240.17a-13, and 210.2-01; as well as Title 18 of the United
22 States Code Section 2?

23 THE DEFENDANT: Yes.

24 THE COURT: Do you understand that the government
25 would have to prove each and every part, or element, of each of

lcjdpitp

PLEA

1 these charges beyond a reasonable doubt at a trial if you did
2 not plead guilty?

3 THE DEFENDANT: Yes.

4 THE COURT: Ms. Baroni or Mr. Moore, would you please
5 state for the record the elements that the government would
6 have to prove if we were to go to trial on these charges?

7 MS. BARONI: Yes, your Honor.

8 With respect to Count One, the conspiracy count, the
9 government would have to prove the following elements beyond a
10 reasonable doubt: First, that the conspiracy charged in the
11 Information existed, in other words, that there was in fact an
12 agreement or understanding to either violate the laws of the
13 United States or to defraud the United States; second, that the
14 defendant knowingly, willingly and voluntarily became a member
15 of the conspiracy; third, that any one of the conspirators, not
16 necessarily the defendant, knowingly committed at least one
17 overt act in the Southern District of New York in furtherance
18 of the conspiracy and during the life of the conspiracy.

19 With respect to Count Two, falsifying books and
20 records of a broker-dealer, in order to prove this crime the
21 government would have to prove beyond a reasonable doubt the
22 following elements: First, that at the time of the alleged
23 offense Bernard L. Madoff Investment Securities was a
24 registered broker-dealer; second, that BLMIS failed to make and
25 keep certain accurate records as required under the SEC's rules

lcjdpitp

PLEA

1 and regulations; third, that the defendant aided and abetted
2 BLMIS's failure to make and keep accurate records; and, fourth,
3 that the defendant acted knowingly and willfully.

4 With respect to Count Three, falsifying books and
5 records of an investment advisor, the government would have to
6 prove, first, that at the time of the alleged offense BLMIS was
7 an investment advisor; second, that BLMIS failed to make and
8 keep certain accurate records as required under the SEC's rules
9 and regulations; third, that the defendant aided and abetted
10 BLMIS's failure to make and keep accurate records; fourth, that
11 the defendant acted knowingly and willfully; and, fifth, that
12 the offense involved the use of mails and the means and
13 instrumentalities of interstate commerce.

14 And, finally, with respect to Count Four, making false
15 filings with the SEC, the government would have to prove,
16 first, that the defendant was required to file an application,
17 report or document with the SEC under the Securities Exchange
18 Act of 1934 and the rules and regulations thereunder; second --

19 THE COURT: The defendant personally or BLMIS?

20 MS. BARONI: The defendant or the BLMIS, actually,
21 your Honor.

22 That the application or report or document filed with
23 the SEC contained false or misleading statements; third, that
24 the false or misleading statements were material; and, fourth,
25 that the defendant acted knowingly and willfully.

lcjdpitp

PLEA

1 THE COURT: Thank you.

2 Ms. Cotellessa-Pitz, do you understand the matters
3 that the government would have to prove if you did not plead
4 guilty?

5 THE DEFENDANT: Yes, I do.

6 THE COURT: Do you understand that the maximum
7 possible penalty for the crime with which you are charged in
8 Count One is five years of imprisonment, plus a fine of the
9 greatest of \$250,000, twice the gain resulting from the offense
10 or twice the loss to other people resulting from the offense,
11 plus a \$100 special assessment, plus full restitution to all
12 persons injured as a result of your criminal conduct, plus
13 three years of supervised release after your term of
14 imprisonment?

15 THE DEFENDANT: Yes.

16 THE COURT: Do you understand that the maximum
17 possible penalty for the crime with which you are charged in
18 Count Two is 20 years of imprisonment, plus a fine of the
19 greatest of \$5 million, twice the gain resulting from the
20 offense or twice the loss to other people resulting from the
21 offense, plus a \$100 special assessment, plus full restitution
22 to all persons injured as a result of your criminal conduct,
23 plus three years of supervised release after your term of
24 imprisonment?

25 THE DEFENDANT: Yes.

lcjdpitp

PLEA

1 THE COURT: Do you understand that the maximum
2 possible penalty for the crime with which you are charged in
3 Count Three is five years of imprisonment, plus a fine of the
4 greatest of \$250,000, twice the gain resulting from the offense
5 or twice the loss to other people resulting from the offense,
6 plus a \$100 special assessment, plus full restitution to all
7 persons injured as a result of your criminal conduct, plus
8 three years of supervised release after your term of
9 imprisonment?

10 THE DEFENDANT: Yes.

11 THE COURT: And do you understand that the maximum
12 possible penalty for the crime with which you are charged in
13 Count Four is 20 years of imprisonment, plus a fine of the
14 greatest of \$5 million, twice the gain resulting from the
15 offense or twice the loss to other people resulting from the
16 offense, plus a \$100 special assessment, plus full restitution
17 to all persons injured as a result of your criminal conduct,
18 plus three years of supervised release after your term of
19 imprisonment?

20 THE DEFENDANT: Yes.

21 THE COURT: Do you understand that the maximum
22 possible combined penalty for the four crimes with which you
23 are charged is 50 years of imprisonment, plus a fine of the
24 greatest of -- plus a fine of \$10,500,000 or, if greater, the
25 sums of the relevant gains, losses and statutory amounts

lcjdpitp

PLEA

1 relating to your offenses, plus full restitution to all persons
2 injured by your criminal conduct, plus \$400 total mandatory
3 special assessment, plus supervised release for three years
4 after your term of imprisonment?

5 THE DEFENDANT: Yes.

6 THE COURT: I will now give you some information and
7 verify your understanding of the supervised release aspect of
8 the potential penalty.

9 Supervised release means that you will be subject to
10 monitoring when you are released from prison. Terms and
11 conditions will be imposed. If you violate any of the set
12 terms and conditions you can be reimprisoned without a jury
13 trial.

14 If you are on supervised release and you do not comply
15 with any of the set terms or conditions, you can be returned to
16 prison for the remainder of the term of supervised release, you
17 will be given no credit for the time that you served in prison
18 as a result of your sentence, and no credit for any time spent
19 on post-release supervision.

20 So, for example, if you received a prison term and
21 then a three-year term of supervised release and after you left
22 prison you lived up to the terms of supervised release for two
23 years but then you violated some term of the supervised
24 release, you could be returned to prison for three full years.

25 Do you understand that?

lcjdpitp

PLEA

1 THE DEFENDANT: Yes.

2 THE COURT: Do you also understand that if I accept
3 your guilty plea and adjudge you guilty, that adjudication may
4 deprive you of valuable civil rights such as the right to vote,
5 the right to hold public office, the right to serve on a jury,
6 and the right to possess any kind of firearm?

7 THE DEFENDANT: Yes.

8 THE COURT: Do you understand that there are
9 Sentencing Guidelines that the Court must consider in
10 determining your sentence?

11 THE DEFENDANT: Yes.

12 THE COURT: Has your attorney discussed the Sentencing
13 Guidelines with you?

14 THE DEFENDANT: Yes.

15 THE COURT: Do you understand that in determining your
16 sentence, the Court must calculate the applicable Sentencing
17 Guidelines' range and consider that range, possible departures
18 under the Sentencing Guidelines, and other sentencing factors
19 under Title 18 of the United States Code, Section 3553(a)?

20 THE DEFENDANT: Yes.

21 THE COURT: Do you understand that if your attorney or
22 anyone else has attempted to estimate or predict what your
23 sentence will be, their estimate or prediction could be wrong?

24 THE DEFENDANT: Yes.

25 THE COURT: Do you also fully understand that even if

lcjdpitp

PLEA

1 your sentence is different from what your attorney or anyone
2 else told you it might be, or if it is different from what you
3 expect, you will still be bound to your guilty plea and you
4 will not be allowed to withdraw your guilty plea?

5 THE DEFENDANT: Yes.

6 THE COURT: Do you understand that the sentence to be
7 imposed will be determined solely by the Court, and that I can
8 only determine the sentence to be imposed after the Probation
9 Department prepares a presentence report?

10 THE DEFENDANT: Yes.

11 THE COURT: Do you understand that the Court has
12 discretion, while taking into account the specific provisions
13 and policy statements in the guidelines, to sentence you to any
14 number of years of imprisonment between zero and the combined
15 statutory maximums of 50 years?

16 THE DEFENDANT: Yes.

17 THE COURT: Are you now serving any state or federal
18 sentence, or are you being prosecuted for any other crime?

19 THE DEFENDANT: No.

20 THE COURT: Do you understand that the Superseding
21 Information also includes a forfeiture allegation in which the
22 government asserts that you are required to forfeit to the
23 United States all property, real and personal, that constitutes
24 or is derived from proceeds traceable to the commission of the
25 offenses charged in Counts One and Two of the Information

lcjdpitp

PLEA

1 including, but not limited to, a sum of money equal to
2 \$97.3 billion, representing the amount of proceeds obtained as
3 a result of those offenses?

4 THE DEFENDANT: Yes.

5 THE COURT: Mr. Treanor, would you please show
6 Ms. Cotellessa-Pitz Government Exhibit 1, the agreement.

7 Ms. Cotellessa-Pitz, have you signed this agreement?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: Did you read it before you signed it?

10 THE DEFENDANT: Yes.

11 THE COURT: Did you discuss it with your attorneys
12 before you signed it?

13 THE DEFENDANT: Yes.

14 THE COURT: Did you fully understand the agreement
15 before you signed it?

16 THE DEFENDANT: Yes.

17 THE COURT: Does the agreement reflect accurately your
18 complete and total understanding of the entire agreement
19 between the government, your attorney and you?

20 THE DEFENDANT: Yes.

21 THE COURT: Is everything that you understand about
22 your plea, cooperation and sentence covered in this agreement?

23 THE DEFENDANT: Yes.

24 THE COURT: Has anything been left out?

25 THE DEFENDANT: No.

lcjdpitp

PLEA

1 THE COURT: Has anyone made any promises to you other
2 than what's set forth in that agreement, or given you anything
3 or threatened you or forced you to plead guilty or to enter
4 into the cooperation agreement?

5 THE DEFENDANT: No.

6 THE COURT: Do you understand that even if the
7 government does not oppose or take a position on what your
8 attorney will ask as a sentence, I am free to impose whatever
9 sentence I believe is appropriate under the circumstances and
10 the applicable law and you will have no right to withdraw your
11 plea?

12 THE DEFENDANT: Yes.

13 THE COURT: Do you understand that the agreement
14 provides that you must cooperate fully with the Office of the
15 United States Attorney, the Federal Bureau of Investigation,
16 the United States Department of Labor, the Internal Revenue
17 Service, and any other law enforcement agency designated by the
18 United States Attorney?

19 THE DEFENDANT: Yes.

20 THE COURT: Do you understand that the agreement does
21 not bind any federal, state or local prosecuting authority
22 other than the United States Attorney?

23 THE DEFENDANT: Yes.

24 THE COURT: Do you understand that the agreement
25 provides that if the United States Attorney determines that you

lcjdpitp

PLEA

1 have provided substantial assistance in an investigation or
2 prosecution, and if you have fully complied with the
3 understandings specified in the agreement, the United States
4 Attorney will file a motion pursuant to Section 5K1.1 of the
5 Sentencing Guidelines requesting that the court sentence you in
6 light of the factors set forth in that section?

7 THE DEFENDANT: Yes.

8 THE COURT: Do you understand that the factors that
9 the Court may consider under Section 5K1.1 include the
10 significance and usefulness of your assistance, the
11 truthfulness, completeness and reliability of any information
12 or testimony you provide, the nature and extent of your
13 assistance, any injuries suffered or any danger or risk of
14 injury to you or your family as a result of your assistance,
15 and the timeliness of your assistance?

16 THE DEFENDANT: Yes.

17 THE COURT: Do you understand that even if the United
18 States Attorney files such a motion, the sentence to be imposed
19 on you remains within the sole discretion of the Court?

20 THE DEFENDANT: Yes.

21 THE COURT: Do you understand that you will not be
22 entitled to withdraw your plea even if the Court denies the
23 motion?

24 THE DEFENDANT: Yes.

25 THE COURT: Do you understand that if the United

lcjdpitp

PLEA

1 States Attorney determines that you have not provided
2 substantial assistance, or that you violated any provision of
3 the agreement, the United States Attorney is not obligated to
4 file a motion under Section 5K1.1?

5 THE DEFENDANT: Yes.

6 THE COURT: Do you understand that you will not be
7 entitled to withdraw your guilty plea even if the United States
8 Attorney does not file a motion?

9 THE DEFENDANT: Yes.

10 THE COURT: Do you understand that the agreement
11 provides that if you commit any further crimes or if it is
12 determined that you gave false, incomplete or misleading
13 testimony or information, or that you otherwise violated any
14 provision of the agreement, you will be subject to prosecution
15 for any federal violations of which the United States Attorney
16 has knowledge, including perjury and obstruction of justice?

17 THE DEFENDANT: Yes.

18 THE COURT: Do you also understand that your agreement
19 provides that if you commit any further crimes, or if it is
20 determined that you gave false, incomplete or misleading
21 testimony or information, or otherwise violated any provision
22 of the agreement, all statements made by you to the United
23 States Attorney or other designated law enforcement agents and
24 any testimony you have given before a grand jury or other
25 tribunal may be admissible in evidence in any criminal

lcjdpitp

PLEA

proceedings against you?

THE DEFENDANT: Yes.

THE COURT: Do you understand that your agreement also provides that you may not assert a claim that such statements should be suppressed from evidence and that you have waived your right to claim that such statements should be suppressed from evidence?

THE DEFENDANT: Yes.

THE COURT: Do you understand that on page 2, your agreement, which is Government Exhibit 1, provides that you are admitting the forfeiture allegation in the Information and that you are agreeing to forfeit to the United States all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of those offenses, including, but not limited to, a sum of money equal to \$97.3 billion, representing the amount of proceeds obtained as a result of the offenses charged in Counts One and Two of the Information?

THE DEFENDANT: Yes.

THE COURT: Do you understand that you are not obligated to admit the forfeiture obligation?

THE DEFENDANT: Yes.

THE COURT: Do you understand that on page 5 -- just one moment.

(Pause)

Sorry for the delay.

lcjdpitp

PLEA

1 Ms. Baroni, is there a factual basis or other reason
2 for my specifically querying the immigration-related agreement
3 that is on page 5?

4 MS. BARONI: No, your Honor.

5 THE COURT: Ms. Cotellessa-Pitz, do you understand
6 that any amount that you do forfeit will not be credited toward
7 any fines, restitution, costs of imprisonment, or any other
8 additional penalty that the Court may impose on you?

9 THE DEFENDANT: Yes.

10 THE COURT: Do you still wish to plead guilty pursuant
11 to this plea agreement?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: Messrs. Treanor and Rody, does either of
14 you know of any valid reason why Ms. Cotellessa-Pitz would
15 prevail at trial?

16 MR. TREANOR: No, your Honor.

17 MR. RODY: No, your Honor.

18 THE COURT: Does either of you know of any reason why
19 she should not be permitted to plead guilty?

20 MR. TREANOR: No, your Honor.

21 MR. RODY: No, your Honor.

22 THE COURT: Ms. Cotellessa-Pitz, would you please
23 stand now and tell me what you did that makes you guilty of the
24 crimes to which you are pleading guilty.

25 Your counsel may stand with you, if that will make you

lcjdpitp

PLEA

1 more comfortable.

2 THE DEFENDANT: I have a statement here.

3 I am here to plead guilty to the counts in the
4 Information filed against me and to accept responsibility for
5 what I have done.

6 From approximately 1999 through December 2008, while
7 working for Bernard Madoff, I made accounting entries in the
8 books and records of his business that I knew were false and
9 inaccurate, and I filed document with regulatory authorities
10 and others that I knew repeated these falsehoods and
11 inaccuracies. I now know that these acts helped Bernard Madoff
12 and others perpetuate a fraud that harmed thousands of people,
13 and I am terribly sorry that I contributed to the harm done to
14 so many.

15 I would like to explain my role further.

16 I began working at Bernard L. Madoff Investment
17 Securities, LLC, which I will refer to as "BLMIS," in 1978 as a
18 part-time employee while I was still in college. For the next
19 30 years, I continued to work at BLMIS primarily performing
20 functions in the operations department associated with BLMIS's
21 Proprietary Trading and Market Making businesses.

22 During the entire time I worked at BLMIS, I reported
23 to Daniel Bonventre, who was the director of operations at the
24 firm.

25 In late 1998, I was promoted to comptroller of BLMIS.

lcjdpitp

PLEA

1 In that capacity, I assisted Bonventre in maintaining the books
2 and records of BLMIS, which included the General Ledger and
3 stock records. I also regularly prepared the Financial and
4 Operational Combined Uniform Single Reports, also know as
5 "FOCUS Reports," that were filed with the Securities and
6 Exchange Commission. In addition, I occasionally assisted
7 Annette Bongiorno, Joann Crupi and others in maintaining books
8 and records relating to Investment Advisory accounts and
9 signing redemption checks issued to investors.

10 During the period when I was comptroller of BLMIS, I
11 agreed with and worked together with other BLMIS employees to
12 violate the laws of the United States, and I took a number of
13 actions over the years at BLMIS's offices in Manhattan that
14 constituted violations of U.S. laws. I did so knowingly and
15 willfully, and knew that what I was doing was wrong and
16 unlawful.

17 My conduct included a number of acts that I would like
18 to describe.

19 From about 1999 through December 2008, I worked with
20 others to make false entries in the books and records of BLMIS
21 and to cause the filing of false documents with the SEC. As a
22 registered broker-dealer and as an investment advisor, BLMIS
23 was required to make and keep accurate books and records under
24 the SEC's rules. At the direction of Madoff, Bonventre and
25 others, I caused inaccurate ledgers and other books and records

lcjdpitp

PLEA

1 to be created and kept by BLMIS, including inaccurate general
2 ledgers and stock records. I then transferred the same
3 inaccurate record entries into FOCUS Reports and annual
4 financial statements that I knew would be sent to the SEC.

5 The false documents were prepared at the BLMIS offices
6 in Manhattan, and some of these documents were submitted
7 through the U.S. Mail.

8 While undertaking these actions, I knew that what I
9 was doing was wrong.

10 The following are a few examples of the types of false
11 records I created and maintained.

12 From about 1999 through December 2008, I made false
13 and inaccurate entries in the books and records of BLMIS
14 relating to transfers of funds from BLMIS's Investment Advisory
15 business. At various times, I believed these transfers to be
16 the interest or commissions from securities trading in the
17 personal accounts of Bernard Madoff or the accounts of
18 customers of the Investment Advisory business. Nevertheless,
19 at the direction of Madoff, Bonventre and others, I booked
20 these transfers improperly to the accounts of BLMIS's
21 Proprietary Trading and Market Making businesses, and recorded
22 these false entries in BLMIS's Trading Ledgers, General
23 Ledgers, and other supporting books and records of BLMIS's
24 Proprietary Trading and Market Making businesses.

25 In addition, at the direction of Bonventre and others,

lcjdpitp

PLEA

1 I booked the transfers of funds at times into specific
2 securities or trading positions and accounts that were part of
3 the firm's Proprietary Trading and Market Making businesses. I
4 knew that the transfers bore no relation to these securities or
5 positions, and that the funds did not result from trading in
6 these securities through the firm's Proprietary Trading and
7 Market Making businesses and, therefore, that my entries were
8 false. I understood that my entries falsely inflated the
9 revenue, increased the profits, and hid the losses of the
10 Proprietary Trading and Market Making businesses and at the
11 same time did not accurately report the financial condition of
12 BLMIS as a whole.

13 In addition, in 2005, the SEC conducted an audit of
14 BLMIS's businesses. At Madoff's direction and in response to
15 this audit, I, together with others, created false books and
16 records to be shown to the auditors.

17 For example, the SEC requested a list and description
18 of all BLMIS trading accounts as well as a report reflecting
19 the monthly profit and loss for each of the trading accounts
20 for a three-month period in 2005. In response, I, together
21 with Bonventre, O'Hara and others, created several false
22 trading account reports that were given to the SEC. In those
23 reports, among other things, we intentionally omitted an
24 account affiliated with the Investment Advisory business.

25 I knew that my actions in creating these false reports

lcjdpitp

PLEA

1 and omitting this account were wrong and would have the effect
2 of misleading the SEC and concealing the account from the SEC.

3 Separately, I assisted Madoff and other BLMIS
4 employees in defrauding the United States by preventing the
5 Internal Revenue Service from collecting the proper amount of
6 income taxes from Madoff. I did this in 2007, when the IRS
7 audited Madoff's 2004 and 2005 federal tax returns, as well as
8 on other occasions.

9 In 2007, at the direction of Madoff and his
10 accountant, David Friehling, I, together with Bonventre, O'Hara
11 and others, created a false backdated General Ledger and
12 Trading Ledger and created false reports derived from the
13 Trading Ledger in order to support Madoff's false tax returns.
14 In addition, I, together with Bonventre and others, fabricated
15 backdated positions in certain stocks in a backdated trading
16 ledger. I knew that the backdated stock positions were not
17 real and that the false General Ledger and Trading Ledger were
18 being created in order to deceive IRS tax auditors in
19 connection with Madoff's tax returns.

20 The altered backdated documents that I helped to
21 create were shown to an IRS auditor.

22 I believe that the actions I have described above make
23 me guilty of the crimes charged in Counts One, Two, Three and
24 Four of the Information, and I plead guilty to those charges
25 because I am responsible for committing those crimes.

lcjdpitp

PLEA

1 Although I now know that the crimes I committed helped
2 to cover up and perpetuate Bernard Madoff's fraudulent Ponzi
3 scheme, at the time I committed these crimes I did not know
4 that Madoff and others were stealing investors' money instead
5 of actually investing the money through securities trading.
6 Nonetheless, the consequences of my actions are clear to me
7 now, and for that I am, again, terribly sorry.

8 I would like to apologize to the victims of the fraud,
9 and I would like the Court and the public to know that I am
10 cooperating fully with the government in this matter.

11 Thank you, your Honor.

12 THE COURT: Thank you.

13 Now, I notice that you were reading from notes as you
14 made that factual recitation. Do those notes reflect
15 accurately and truthfully your own actions and knowledge as of
16 the time of the relevant events?

17 THE DEFENDANT: Yes, they do.

18 THE COURT: And to confirm, you knew at the time that
19 you made these false records and false submissions that you
20 have described that the information in them was false?

21 THE DEFENDANT: Yes, your Honor.

22 THE COURT: And you nonetheless made them and
23 submitted them willfully?

24 THE DEFENDANT: Yes, your Honor.

25 THE COURT: Ms. Baroni, does the government wish

lcjdpitp

PLEA

1 anything further as a factual matter to be addressed in the
2 plea allocution?

3 MS. BARONI: No, your Honor.

4 THE COURT: Thank you.

5 Ms. Baroni, would you please summarize the
6 government's evidence against Ms. Cotellessa-Pitz.

7 MS. BARONI: Yes, your Honor.

8 If this case had proceeded to trial, the government
9 would have proven, through witness testimony, documents and
10 other evidence, beyond a reasonable doubt all the facts set
11 forth in the Superseding Information.

12 Specifically, the government would have proven that
13 Ms. Cotellessa-Pitz was employed at BLMIS from 1978 until at
14 least December 2008; that beginning in 1998 she became a
15 comptroller.

16 The evidence would show that Ms. Cotellessa-Pitz,
17 along with Daniel Bonventre, Annette Bongiorno, Joann Crupi,
18 Jerome O'Hara, George Perez, Eric Lipkin, David Kugel and Frank
19 DiPascali, and other co-conspirators, engaged in a scheme to
20 create many false and misleading entries in the books and
21 records of BLMIS that lasted for decades.

22 Ms. Cotellessa-Pitz, the evidence would show, worked
23 under the supervision of Mr. Bonventre, and that she engaged in
24 an accounting fraud that covered up Mr. Madoff's Ponzi scheme.

25 The evidence would prove that they took proceeds --

lcjdpitp

PLEA

1 she, Mr. Bonventre and others took proceeds from the Ponzi
2 scheme, which was a fraud run through the Investment Advisory
3 business, and made it appear that the money belonged in other
4 parts of Madoff's businesses. This allowed Madoff to avoid
5 scrutiny by hiding the fact that the money came from the
6 fraudulent IA business, and it also allowed Madoff to prop up
7 BLMIS's market making and prop trading businesses that were
8 losing money and that served as a front for the Ponzi scheme.

9 The government would also prove, if this case had gone
10 to trial, that Ms. Cotellessa-Pitz, Mr. Bonventre and others
11 made similar false and misleading statements in reports that
12 were required to be filed with the SEC.

13 In addition, the government would prove that
14 Ms. Cotellessa-Pitz, along with Daniel Bonventre, Jerome
15 O'Hara, George Perez, Joann Crupi, Eric Lipkin, Frank DiPascali
16 and other co-conspirators, created false and fraudulent
17 documents for the purpose of deceiving the Securities and
18 Exchange Commission. For example, the government would prove
19 that in connection with an audit of BLMIS conducted by the SEC
20 in 2005, Ms. Cotellessa-Pitz, Bonventre, O'Hara and others
21 created numerous false and altered documents that were given to
22 the SEC relating to BLMIS's trading accounts, bank accounts,
23 and relating to its profitability and loss.

24 Further, and separately, the government would also
25 prove that Ms. Cotellessa-Pitz, Daniel Bonventre, Jerome O'Hara

lcjdpitp

PLEA

1 and Madoff's accountant David Friehling, along with other
2 co-conspirators, created false and fraudulent documents in
3 connection with tax audits of Bernard L. Madoff. For example,
4 in 2004, when New York State Department of Taxation and Finance
5 conducted an audit of Madoff, Ms. Cotellessa-Pitz, Bonventre,
6 O'Hara, Friehling and others covered up the fact that
7 Mr. Madoff had underreported BLMIS's profits by tens of
8 millions of dollars in each of those years and in that cover-up
9 Ms. Cotellessa-Pitz, Bonventre, O'Hara and others created fake
10 general ledgers and stock records and other documents to
11 deceive the tax auditors.

12 The government would further prove that
13 Ms. Cotellessa-Pitz and her co-conspirators did the same in
14 connection with a 2007 audit conducted by the Internal Revenue
15 Service.

16 THE COURT: Thank you.

17 Ms. Cotellessa-Pitz, would you please stand again.

18 How do you now plead to the charge against you in
19 Count One of the Fifth Superseding Information, not guilty or
20 guilty?

21 THE DEFENDANT: Guilty.

22 THE COURT: How do you now plead to the charge against
23 you in Count Two of the Fifth Superseding Information, not
24 guilty or guilty?

25 THE DEFENDANT: Guilty.

lcjdpitp

PLEA

1 THE COURT: How do you now plead to the charge against
2 you in Count Three of the Fifth Superseding Information, not
3 guilty or guilty?

4 THE DEFENDANT: Guilty.

5 THE COURT: And how do you now plead to the charge
6 against you in Count Four of the Fifth Superseding Information,
7 not guilty or guilty?

8 THE DEFENDANT: Guilty.

9 THE COURT: Are you pleading guilty to each of these
10 charges because you are in fact guilty of the illegal conduct
11 charged?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: Are you pleading guilty voluntarily and of
14 your own free will?

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: Mr. Treanor, would you please show
17 Ms. Cotellessa-Pitz Court Exhibit 1, the advice of rights form.

18 Ms. Cotellessa-Pitz, have you signed this form?

19 THE DEFENDANT: Yes, your Honor.

20 THE COURT: Did you read it before you signed it?

21 THE DEFENDANT: Yes.

22 THE COURT: Did you discuss it with your attorney
23 before you signed it?

24 THE DEFENDANT: Yes, your Honor.

25 THE COURT: Did you fully understand it before you

lcjdpitp

PLEA

1 signed it?

2 THE DEFENDANT: Yes.

3 THE COURT: Mr. Treanor, did you also review and sign
4 Court Exhibit 1?

5 MR. TREANOR: Yes, I did, your Honor.

6 THE COURT: Mr. Treanor, are there any other questions
7 that you believe I should ask Ms. Cotellessa-Pitz in connection
8 with this plea?

9 MR. TREANOR: No, your Honor.

10 THE COURT: Ms. Baroni, are there any other questions
11 that you believe I should ask Ms. Cotellessa-Pitz in connection
12 with this plea?

13 MS. BARONI: No, your Honor.

14 THE COURT: Ms. Cotellessa-Pitz, you have acknowledged
15 that you are guilty as charged in the Information. I find that
16 you know your rights and that you are waiving them voluntarily.

17 Because your plea is entered knowingly and voluntarily
18 and is supported by an independent basis in fact containing
19 each of the essential elements of each of the offenses, I
20 accept your guilty plea, and I adjudge you guilty of the
21 offenses charged in Counts One, Two, Three and Four of the
22 Fifth Superseding Information.

23 Mr. Treanor, do you wish to be present for any
24 interview of Ms. Cotellessa-Pitz in connection with the
25 preparation of the presentence report?

lcjdpitp

PLEA

MR. TREANOR: Yes, your Honor.

THE COURT: I will make that direction.

Counsel, what is the desire of the parties with respect to setting a sentencing date?

MS. BARONI: Your Honor, the government would ask that your Honor set a sentencing control date for approximately six months into the future and that we would not ask that a presentence report be prepared at this time.

THE COURT: And you will inform the Court whether that date would need to be extended further or, alternatively, when it is an appropriate time to have the presentence report prepared?

MS. BARONI: We will.

THE COURT: Thank you.

Ms. Ng, may I have a control date six months out?

THE CLERK: Friday, June 22, 2012, at 11 a.m.

THE COURT: The sentencing control date is set for June 22, 2012, at 11 in the morning.

Counsel, when it is time for preparation for sentencing, please make sure that you make and file your submissions in accordance with the sentencing submission policy that I have posted on the court's website.

Ms. Cotellessa-Pitz, at some point in the future the Probation Office will be preparing a presentence report to assist me in sentencing you. You will be interviewed by the

lcjdpitp

PLEA

1 Probation Office. It is important that the information that
2 you give to the probation officer be truthful and accurate.
3 The report is important in my decision as to what your sentence
4 will be. You and your attorneys have a right and will have an
5 opportunity to examine the report, to challenge or comment on
6 it, and to speak on your behalf before sentencing.

7 Failing to be truthful with the Probation Office and
8 the Court may have an adverse effect on your sentence and may
9 subject you to prosecution.

10 Do you understand that?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: Thank you.

13 Is there an application with respect to bail pending
14 sentencing?

15 MS. BARONI: Yes, your Honor. The parties have a
16 proposal for your Honor's consideration with respect to a bail
17 package.

18 It would be a \$2.5 million personal recognizance bond
19 to be secured by eight financially-responsible people and to be
20 also secured by at least \$800,000 in cash or property. None of
21 the cash or property could come from proceeds of the fraud or
22 from any forfeitable funds.

23 Further, the proposal would subject the defendant to
24 strict pretrial supervision. Her travel would be restricted to
25 the Southern and Eastern District of New York. She would

lcjdpitp

PLEA

1 surrender all travel documents and would not make any new
2 travel applications.

3 Further, Judge, the government has interviewed eight
4 of the defendant's proposed suriters already, and we are
5 satisfied with respect to their qualifications. We think that
6 they are financially responsible. They are very close family
7 members and friends of the defendant, and we believe that they
8 would have moral suasion over her.

9 Further, your Honor, the defendant has been working
10 with the U.S. Attorney's Office and the FBI as well as the IRS
11 for quite a long time now. She has met every appointment. She
12 has been completely reliable, and the government believes that
13 she has an overwhelming incentive to continue to cooperate and
14 will not flee.

15 Further, as part of the cooperation process, she has
16 filled out financial affidavits and submitted them to our
17 office detailing all of her assets, the amounts and the
18 location of those assets. She has also entered into a
19 voluntary restraint agreement with the government relating to
20 her assets.

21 And in light, your Honor, of her cooperation, which,
22 as I said, has been ongoing for a long time, her full
23 disclosure of her conduct while she was an employee at BLMIS,
24 as well as full disclosure of her financial situation and all
25 of her assets, the government believes that she will be

lcjdpitp

PLEA

1 compliant with the proposed bail package and with any rules set
2 forth by Pretrial Services.

3 THE COURT: Does the government believe, on the basis
4 of its factual investigation, that the evidence is clear and
5 convincing that Ms. Cotellessa-Pitz will not pose a risk of
6 flight or danger to the community?

7 MS. BARONI: Yes, your Honor.

8 THE COURT: And has the government investigated the
9 proposed sources of the security?

10 MS. BARONI: Yes, we have.

11 THE COURT: And is the government satisfied that the
12 sources are indeed unrelated to the particular forfeitable
13 funds?

14 MS. BARONI: Yes, your Honor. They are not related to
15 BLMIS in any way.

16 THE COURT: And what would be the government's
17 proposal as to the deadline for satisfaction of these
18 conditions?

19 MS. BARONI: Given the upcoming holidays, your Honor,
20 we would be amenable to ten days to post the property and for
21 the cosigners to sign the bond.

22 THE COURT: And so today being the 19th, that would be
23 the 29th of December?

24 MR. TREANOR: Your Honor, if we could ask for
25 January 3rd, just to get us past the holidays. It is a

lcjdpitp

PLEA

1 difficult time to get people focused on this. The courthouses
2 aren't open all of the days between now an then. And so we
3 have a number of cosigners ready to go, and we expect that that
4 will be a pretty quick process getting the signatures. It is
5 the property that may take a little bit longer. So we would
6 ask for that additional time.

7 MS. BARONI: We have no objection to that, your Honor.

8 THE COURT: I will allow until January 3rd for
9 satisfaction of the conditions.

10 And having reviewed the Pretrial Services' report and
11 considered carefully the government's proffers regarding the
12 proposed terms and its investigations in relation to those
13 proposed terms, I find that they are sufficient and compliant
14 with the relevant legal standards regarding bail pending
15 sentencing, and I will grant release on those conditions, with
16 the requirement that they be fully satisfied by why don't I
17 call it 4 in the afternoon on January 3rd.

18 And I am going to now prepare a bail disposition sheet
19 and I will show it to everyone to -- I'll show it to counsel to
20 confirm that I have all of the conditions written properly.

21 (Pause)

22 Ms. Ng, would you hand a copy to each table and one to
23 the court reporter, please.

24 The draft that I have handed out summarizes the bail
25 conditions as follows: \$2.5 million PRB with 8 FRPs and

lcjdpitp

PLEA

1 \$800,000 cash or property security (such security must be
2 unrelated to fraud proceeds and unrelated to forfeitable
3 funds); strict pretrial supervision; travel restricted to
4 S.D.N.Y./E.D.N.Y.; surrender travel documents and no new
5 applications. All conditions must be satisfied by 4 p.m. on
6 January 3, 2012.

7 Does that accurately cover the agreed conditions?

8 MS. BARONI: Yes, it does, your Honor.

9 If your Honor could add that she could be released
10 today on a certain subset of cosigner signatures, either on her
11 own signature or on a couple of other signatures, depending on
12 how many people are here to sign?

13 THE COURT: How many do we have to sign?

14 MR. TREANOR: We have two here. I believe we have a
15 third that will be here. We may have as many as five today.
16 Of course, we have Ms. Pitz also.

17 THE COURT: I will permit release today on the
18 signature of Ms. Pitz and three financially-responsible
19 persons.

20 MR. TREANOR: Thank you, your Honor.

21 THE COURT: I will add that.

22 So I've added a sentence at the end that says:
23 "Defendant may be released today on own signature and those of
24 three FRPs."

25 So I will save and print those.

lcjdpitp

PLEA

1 How many copies to we need, Ms. Ng?

2 THE CLERK: Five.

3 (Pause)

4 THE COURT: Ms. Cotellessa-Pitz, did you hear the bail
5 conditions as I have outlined them?

6 THE DEFENDANT: Yes, your Honor.

7 THE COURT: Do you understand them?

8 THE DEFENDANT: Yes.

9 THE COURT: Do you understand that you are legally
10 obligated to comply with these conditions, and that the
11 consequences of noncompliance can be severe?

12 THE DEFENDANT: Yes, I do.

13 THE COURT: Do you understand that if you fail to
14 comply with the conditions, you are subject to remand and
15 potentially subject to further penalty?

16 THE DEFENDANT: Yes.

17 THE COURT: Do you understand that if you do not
18 return to my courtroom on the time and date that is ultimately
19 set for sentencing, that you will be guilty of a crime
20 separate, apart from -- separate and apart from the crimes to
21 which you have just pled guilty?

22 THE DEFENDANT: Yes.

23 THE COURT: And do you understand that under such
24 circumstances, you will be subject to penalties separate, apart
25 from, and over and above any that may be imposed in connection

lcjdpitp

PLEA

1 with the crimes to which you have pled guilty?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Then I will fully expect you to comply
4 with these conditions and to appear as scheduled for
5 sentencing.

6 I will now sign the bail disposition sheet.

7 (Pause)

8 Is there a consent forfeiture order at this time, or
9 is that something the parties contemplate to prepare later?

10 MS. BARONI: We will prepare it later, your Honor,
11 prior to sentencing.

12 THE COURT: All right. I will enter my usual order
13 regarding the preparation of a preliminary order of forfeiture.

14 Is there anything else that we need to take up
15 together this afternoon?

16 MS. BARONI: Not from the government. Thank you, your
17 Honor.

18 MR. TREANOR: No, your Honor.

19 THE COURT: Thank you.

20 Ms. Baroni, Mr. Moore, you will shepherd the process
21 through the Magistrate Clerk's office in relation to the
22 signing of the necessary documents?

23 MS. BARONI: Yes, Judge.

24 THE COURT: Thank you.

25 MR. MOORE: Thank you very much.

lcjdpitp

PLEA

1 THE COURT: I wish you all a safe and healthy
2 holidays. Thank you all for being here today.

3 We are adjourned.

4 MR. MOORE: Thank you, your Honor. You, too.

5 THE CLERK: All rise.

6
7 - - -
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25